



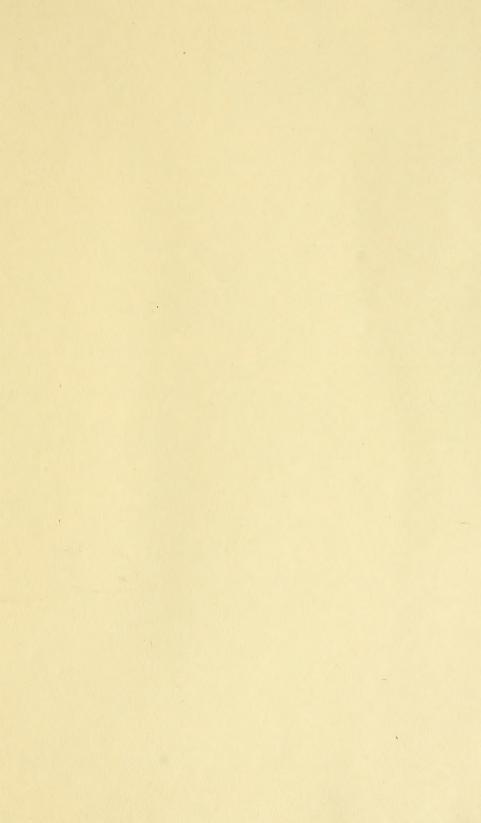
Property of House Committee on

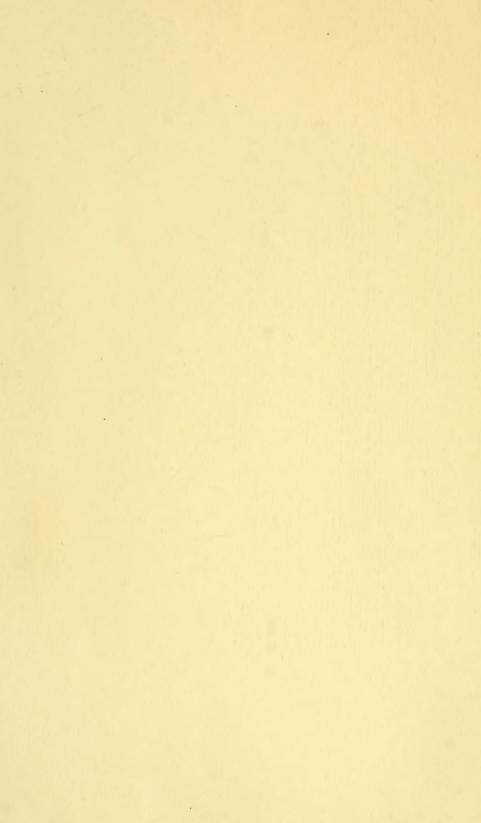
Ways and Means

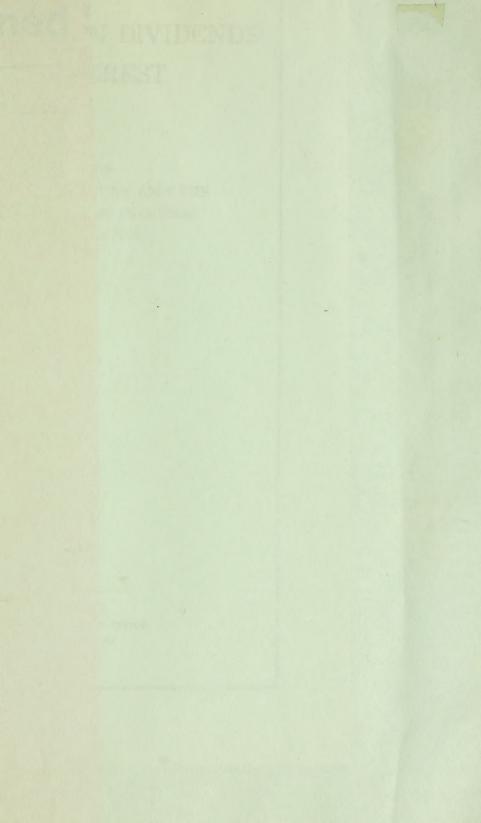


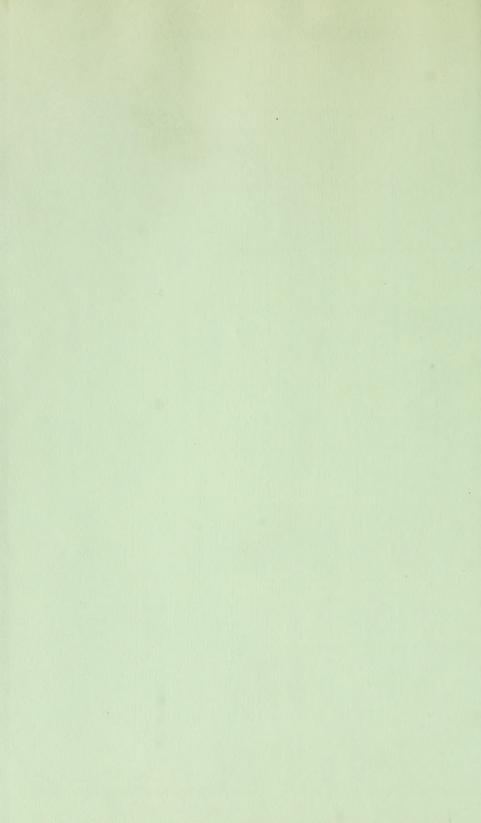












PART 11

EXCISE TAX SUGGESTIONS FOR RAISING DIFFERENT AMOUNTS OF REVENUE

PREPARED BY THE

STAFF OF THE JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

APRIL 1951



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1951



Addi- tional revenue	from sug- gestion	Mil. of	dol. 122 68 16 1 177	. 220	261 61	191	40	28	62	20	33	(2)
Suggested rates	Changes in base		None None None None None	Expand to include Diesel fuel used on	Do not raise tax on house trailers	Expand to include wide variety of electric appliances. See schedule B.	None	Expand to include sales by government- ally owned plants.	Apply 20-percent instead of 10-percent rate to watches for less than \$65 and	alarm clocks for less than \$5; extend tax to all lighters, all fountain and ballpoint pens and all mechanical pencils. Extend to toilet soaps.	Extend to apply to transportation of oil by barge where shippers are transport-	change Extend to apply to transportation of gas by pipeline.
	Rates		\$10- \$9- 19 cents, 75 cents, \$2.50 1- 19 cents, 13 cents 1	2 cents	11 percent	15 percent.	15 percent	No change	No change	No change	20 percent	No change
Present rate			\$9. \$8. 15 cents, 60 cents, \$2 15 cents, 10 cents.	1½ cents	7 percent	10 percent	10 percent	10 percent	20 percent	20 percent	\$20 3 percent (4 cents per fon of coal)	4½ percent
Tay basa	L da Caso		Proof gallon Barrel Gallon Half pint	Gallon	Manufacturer's price	Manufacturer's price	Manufacturer's price	Manufacturer's price	Retail price	Retail price	Per alley or table	Charge
Thom	TIGHT	I. TO INCREASE EXCISE TAX REVENUES BY \$2 BILLION	Alcoholic beverages: Distilled spirits Ber Still wines. Sparkling wines	Tobacco taxes: Cigaretics, Small Manufacturers' taxes: Gasoline	Passenger automobiles and motorcycles. Automobile trucks, busses, and truck	ಲ	Refrigerators, quick-freeze, and air- conditioning units.	Radios, television sets, phonographs, phonograph records, and musical instruments. Electrical energy.	Retail taxes: Jewelry	Toilet proparations	Other existing taxes: Bowling alleys, billiard and pool tables Transportation of property.	Transportation of oil by pipeline

¹ This represents an increase of 25 percent. If it is desired to limit the percentage increase to approximately the size of that provided for distilled spirits and beer the rates for still wines could be 17 cents, of cents, of cents, and \$2.25, and for sparkling wines could be 17 cents and 11 cents.

Possible excise tax programs—Continued

Addi- tional revenue	from sug- gestion		dol. 230	350	15	44		2, 013	010	3,110	3 131 3 97	3 40	3 55	46	2,527
Suggested rates	Changes in base		Based on manufacturer's price	Based on the blue-book value of the car at the time title transfer occurs or time chance in ownership is recorded if State	has no title law. Based on manufacturer's price	Includes porcelain china, handmade or hand-decorated earthenware, and glass-	ware which is-crystal, cut, etched, or hand blown.			None	Do not raise tax on house trailers Expand to include wide variety of electric	appliances, See schedule B None	None	Revise as shown in schedule C	
	Rates		20 percent	8 percent, 5 percent	15 percent	20 percent				\$11	13 percent	20 percent	20 percent	20 percent.	
Present rate			None	None	None	None				68	7 percent	10 percent	10 percent	10 percent.	
Tax base			Manufacturers and im-	Purchaser.	Manufacturer and im-	Retail price				Proof gallon.	Manufacturer's price Manufacturer's price	Manufacturer's price	Manufacturer's price	Manufacturer's price	
Item		I. To Increase Excise Tax Revenues Br \$2 Billon—Continued	New taxes: Candy and chewing gum	Transfer of second-hand motor vehicles.	Motor-driven and sail pleasure boats	China and glassware	Total T 69 Lillion successors	II. TO INCREASE EXCISE TAX REVENUES	BY \$2½ BILLION Increases already provided under I	Alcoholic beverage taxes: Distilled spirits. Beer	Manufacturers' taxes: Passenger automobiles and motorcycles. Electric, gas, and oil appliances.	Refrigerators, quick-freeze, and air-con-	Radios, television sets, phonographs, phonograph records, and musical in-	Struments. Sporting goods. Photographic apparatus and film.	Total of I and II, \$21% billion program.

			E2010H 11	121 500	JUI	2011	011	~ 1	010	202210			
	2, 527	380		150	3,057		3,057	113		280	88	3, 538	
		Based on manufacturers' price and would include the following types of furniture:	Kitchen, living room, hall, bedroom (including bed matresses and springs), children's, porch, lawn, beach, card tables and chairs, etc. Would also include sales of unpainted furniture and furniture hich becomes an integral part of a house.	Based on manufacturer's price and would influde wool and other fiber carpets, rugs and mats, linoleum and asphalted- felt base floor and wall coverings.				None	Carbonated soft drinks and unfermented fruit juices containing less than 95 per-	cent pure fruit Juices. Of the kind used in mixing soft drinks. Sales to bottlers or sirups manufactured by bottlers would be exempt if used in	soft drinks subject to bottlers' tax. Would be limited to residential and commercial use.		
		20 percent		20 percent				20 percent	1 cent per 16 ounces or fraction.	20 percent	3½ percent		
		None		None				15 percent	None	None	None		
		Manufacturers and im-		Manufacturers and importers.				Charge	Bottlers or importers	Manufacturers or importers.	Charge		
III. TO INCREASE EXCISE TAX REVENUES BY \$3 BILLION	Increases already provided under I and II	New taxes: Household furniture		Floor coverings	Total of I, II and III, \$3 billion program.	IV, TO INCREASE EXCISE TAX REVENUES BY \$316BILLION	Ingresses already provided under I. II. and	UI. Other taxes: Local telephone service	New taxes: Soft drinks	Fountain sirups.	Gas and fuel oil	Total of I, II, III, and IV, \$4 billion	program,

3 This is additional revenue above that previously accounted for.

Possible excise tax programs—Continued

Addi- tional revenue	from sug- gestion	Mil. of	e, 358	131 56 90	100	4, 057
Suggested rates	Ohanges in base		None	None None	None. The rate would continue to be 3 percent on all over 500 miles but would be 4 percent on the first 500 miles. For purposes of computing this tax the pherce for over	and under 500 miles would be prorated on a mileage basis.
	Rates		\$11	15 percent	20 percent 3 to 4 percent.	
Present rate			88	7 percent	15 percent	
Tax base			Barrel	Manufacturers' price Manufacturers' price Pound	Charge	
Ifem		V. TO INCREASE EXCISE TAX REVENUES BY \$4 BILLION	Increases already provided under 1, 11, 111, and IV. Alcoholie beverages: Beer	Passager automobiles and motoreycles. Automobile parts and accessories. Tires and inner tubes.	Other taxes Transportation of persons Transportation of property	Total of I, II, III, IV, and V, \$4 billion program.











